

**DEPARTMENT OF STATE REVENUE**  
**LETTER OF FINDINGS NUMBER: 02-0548P**  
**Sales Tax**  
**For Calendar Years 1998, 1999, 2000, and 2001**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer filed ST-103's for calendar years 1998 through 2000 for sales tax collected and not remitted. Taxpayer was assessed a ten percent (10%) negligence penalty and interest.

Taxpayer, in a letter dated August 23, 2002 requests that the department waive the penalty because it voluntarily took the responsibility of the filing and payment of back taxes.

I. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer was assessed a ten percent (10%) penalty and updated interest for its voluntarily filed sales tax returns and reports most of the states abated all or a portion of the penalty. In addition to the penalty, some states abated one hundred percent or a portion of the interest due. Taxpayer further states that there was confusion on whether the lessor or the lessee is responsible for remitting the taxes on the rentals of tangible personal properties in Indiana.

Taxpayer failed to file and remit timely the sales tax it had collected. Taxpayer was also negligent in making itself aware of the tax laws in the State of Indiana when it has rental property in the State. Taxpayer has not provided reasonable cause to allow a waiver of the penalty assessed and the Department has no authority to waive interest.

**FINDING**

Taxpayer's protest is denied.